

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 1521 – HB 2009

March 4, 2011

SUMMARY OF BILL: Reduces, from four to three, the number of directors for the Tennessee Regulatory Authority (TRA). Requires any reserves of TRA remaining at the end of any fiscal year be transferred to the General Fund and administered by the Department of Finance and Administration.

ESTIMATED FISCAL IMPACT:

Decrease State Expenditures - \$420,800/Tennessee Regulatory Authority

Other Fiscal Impacts - The extent of year-end reversions to the General Fund is unknown because any surplus amounts are dependent upon unknown factors such as the change in annual expenditures and the change in annual fee revenue. As of June 30, 2010, TRA had a reserve balance of \$1,612,600.

Assumptions:

- According to TRA, the elimination of one director position would reduce agency expenditures by \$420,800 per year (\$291,800 for salary, \$100,700 for benefits, \$11,400 for travel, and \$16,900 for other expenditures).
- According to TRA, the Authority had a reserve balance of \$170,163 as of June 30, 2009, and a reserve balance of \$1,612,565 as of June 30, 2010.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White".

James W. White, Executive Director

/rnc